

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

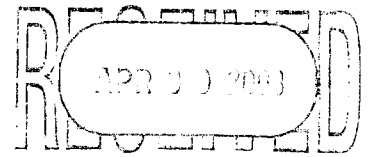
ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



G-02528A
Duncan Rural Service Corporation
Attn: Jack Shilling, Gen. Mgr. P.O. Box 440
Duncan AZ 85534-0000

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION



DIRECTOR OF UTILITIES

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 02	02
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*Entered
4-9-03
CJM
2002
Assessment
abruptly
CJM.*

COMPANY INFORMATION

Company Name (Business Name) <u>DUNCAN RURAL SERVICES CORPORATION</u>			
Mailing Address <u>P.O. BOX 440</u>			
<u>DUNCAN</u>	<u>AZ</u>	<u>85534</u>	
(City)	(State)	(Zip)	
<u>928-359-2503</u>	<u>928-359-2370</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>SAME AS ABOVE</u>			
(Street)			
(City)		(State)	(Zip)
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>JACK SHILLING</u>		<u>CEO</u>	
<u>P.O. BOX 440</u>	<u>DUNCAN</u>	<u>AZ</u>	<u>85534</u>
(Street)	(City)	(State)	(Zip)
<u>928-359-2503</u>	<u>928-359-2370</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>jackshilling@dvec.org</u>			
On Site Manager: <u>SAME AS ABOVE</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: GALLAGHER & KENNEDY (MIKE GRANT)

(Name)

PO BOX 61504

(Street)

PHOENIX

(City)

AZ

(State)

85548

(Zip)

602-530-8291

Telephone No. (Include Area Code)

602-257-9459

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☒ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☐ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
- ☐ Transmission Service Provider
- ☐ Meter Service Provider
- ☐ Meter Reading Service Provider
- ☐ Billing and Collection
- ☐ Ancillary Services
- ☐ Generation Provider
- ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☒ Natural Gas
- ☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residential access lines

Total business access lines

Total revenue from Arizona operations

\$ _____

Total income from Arizona operations

\$ _____

Value of assets used to serve Arizona customers

\$ _____

Accumulated depreciation associated with those assets

\$ _____

STATISTICAL INFORMATION (CONT'D)

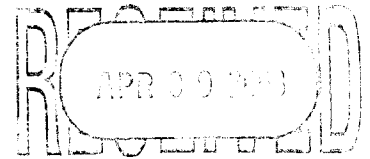
ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	_____
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
 Total kilowatt-hours sold	_____ kWh
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
 Maximum Peak Load	_____ MW

GAS UTILITIES ONLY

Total number of customers	798
Residential	733
Commercial	44
Industrial	_____
Irrigation	21
Resale	_____
 Total therms sold	590,442 therms
Residential	357,633
Commercial	69,071
Industrial	_____
Irrigation	163,738
Resale	_____

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	GREENLEE
NAME (OWNER OR OFFICIAL) TITLE	JACK SHILLING CEO
COMPANY NAME	DUNCAN RURAL SERVICES CORPORATION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 550,125

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 37,536
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Jack Shilling
SIGNATURE OF OWNER OR OFFICIAL
928-359-2503
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7

DAY OF

April, 2003

COUNTY NAME	Greenlee
MONTH	April 20 03

NOTARY SEAL
SHERMA JANE GARNER
(SEAL) State of Arizona
GREENLEE COUNTY
My Commission Expires Nov. 24, 2003

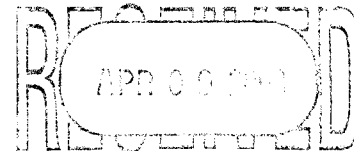
MY COMMISSION EXPIRES

Nov 24, 2003

Sherma Jane Garner
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



Director of Finance

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) GREENLEE

NAME (OWNER OR OFFICIAL)
JACK SHILLING

TITLE
CEO

COMPANY NAME
DUNCAN RURAL SERVICES CORPORATION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 550,125

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 37,536

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Jack Shilling
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7

DAY OF

(SEAL)

MY COMMISSION EXPIRES

OFFICIAL SEAL
SHERMA JEANE GARNER
Notary Public - State of Arizona
GREENLEE COUNTY

Nov 24 2003

NOTARY PUBLIC NAME

Sherma Jeane Garner

COUNTY NAME

Greenlee

MONTH

April

2003

X Sherma Jeane Garner
SIGNATURE OF NOTARY PUBLIC

FINANCIAL AND STATISTICAL REPORT	NAME AND ADDRESS	
	DUNCAN RURAL SERVICES CORPORATION DUNCAN, AZ 85534	
	YEAR ENDING December 31, 2002	

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

December

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	589,980	486,060	647,757	73,659
	0	-		
3. Cost of Purchased Gas	337,039	203,481	354,389	33,223
	0	-		
5. Distribution Expense-Operation	110,594	109,334	90,000	3,615
6. Distribution Expense-Maintenance	30,190	40,976	60,000	3,417
7. Consumer Accounts Expense	38,121	45,858	37,000	2,838
8. Customer Service and Informational Expense	3,432	1,844	3,600	110
9. Sales Expense	0	-		
10. Administrative and General Expense	41,316	38,557	55,000	(7,919)
11. Total Operation & Maintenance Expense (2 - 10)	560,692	440,050	599,989	35,284
12. Depreciation and Amortization Expense	24,178	29,340	26,000	(3,521)
13. Tax Expense - Property	10,636	12,900	10,000	3,151
14. Tax Expense - Other	(2,884)	(852)	5,000	(660)
15. Interest on Long-Term Debt	35,142	22,411	40,000	1,866
16. Interest Charged to Construction - Credit	0	-		
17. Interest Expense - Other	1,068	1,027	1,000	91
18. Other Deductions	(4,822)	3,658		3,658
19. Total Cost of Gas Service (11 - 18)	624,010	508,534	681,989	39,869
20. Operating Margins (1 - 19)	(34,030)	(22,474)	(34,232)	33,790
21. Non Operating Margins - Interest	0	51	100	8
23. Non Operating Margins - Other	0	-		
27. Total Margins (20 - 26)	(34,030)	(22,423)	(34,132)	33,798

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	Month	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
		LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connect	1	1	8			
2. Services Retired		0	4			
3. Total Services in Place	916	912	916	7. Miles Distribution Underground	50	50
4. Idle Services (Exclude Seasonal)	135	101	135	8. Total Miles of Line	50	50

FINANCIAL AND STATISTICAL REPORT		NAME DUNCAN RURAL SERVICE CORPORATION	
		MONTH ENDING December 31, 2002	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,173,819	26. Membership	5,000
2. Construction Work in Progress	15,014	27. Patronage Capital	
3. Total Utility Plant (1 + 2)	1,188,833	28. Operating Margins - Prior Years	(62,151)
4. Accum. Provision for Depreciation & Amort	505,644	29. Operating Margins - Current Year	(22,474)
5. Net Utility Plant (3 - 4)	683,189	30. Non Operating Margins	51
6. Nonutility Property - Net		31. Other Margins and Equities	
7. Invest in Assoc Org - Patronage Capital		32. Total Margins & Equities (26 thru 31)	(79,574)
8. Invest in Assoc Org - General Funds	1,000	33. Long-Term Debt-DVEC 25 Year	217,399
9. Invest in Assoc Org - Nongeneral Funds		(Payments-Unapplied \$ _____)	
10. Other Investments		34. Long-Term Debt-DVEC 35 Year	390,830
11. Special Funds		(Payments-Unapplied \$ _____)	
12. Total Other Property & Investments (6 thru 11)	1,000	35. Total Long-Term Debt (33+34)	608,229
13. Cash - General Funds	9,564	36. Notes Payable	
14. Cash - Construction Funds - Trustee		37. Accounts Payable	207,851
15. Special Deposits		38. Consumers Deposits	17,845
16. Temporary Investments		39. Other Current & Accrued Liabilities	20,133
17. Notes Receivable - Net		40. Total Current & Accrued Liabilities (36 thru 39)	245,829
18. Accounts Receivable - Net Sales of Energy	71,110	41. Deferred Credits	
19. Accounts Receivable - Net Other	126	42. Miscellaneous Operating Reserves	
20. Materials & Supplies	25,276	43. Total Liabilities & Other Credits (32 + 35 +	
21. Prepayments	13,035	40 thru 42)	774,484
22. Other Current & Accrued Assets		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
23. Total Current & Accrued Assets (13 thru 22)	119,111	Balance Beginning of Year	0
24. Deferred Debits	(28,816)	Amounts Received This Year (Net)	
25. Total Assets & Other Debits (5+12+23+24)	774,484	TOTAL Contributions in Aid of Construction	0
PART D. NOTES TO FINANCIAL STATEMENTS			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)			

DUNCAN RURAL SERVICES CORPORATION

FINANCIAL AND STATISTICAL REPORT

YEAR ENDING
December 31, 2002

PART R. DATA BASE

CLASSIFICATION	SALES AND REVENUE	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales	a. No. Served	753	757	756	755	748	741
	b. Therms Sold	76,590	63,257	45,096	22,442	12,611	11,566
	c. Revenue	65,501	54,931	37,434	21,727	14,319	13,467
3. Irrigation Sales	a. No. Served	16	16	18	21	23	24
	b. Therms Sold	95	577	9,624	17,998	26,285	42,635
	c. Revenue	258	517	4,698	8,941	12,689	20,301
4. Commercial Sales	a. No. Served	33	33	35	33	33	33
	b. Therms Sold	15,873	12,185	8,849	2,820	1,493	1,399
	c. Revenue	11,865	9,166	6,136	2,225	1,318	1,252
10. TOTAL No. Consumers (lines 1a-9a)		802	806	809	809	804	798
11. TOTAL Therms Sold (lines 1b-9b)		92,558	76,019	63,569	43,260	40,389	55,600
12. TOTAL Revenue Received From Sales of Energy (lines 1c-9c)		77,625	64,614	48,268	32,893	28,326	35,021
13. Other Gas Revenue		19	(42,796)	12,084	1,833	4,812	1,138
14. Own Use		3	2	3	5	2	5
15. Total Gas Purchased (Therms)		76,470	53,880	70,010	36,970	42,470	55,890
16. Cost of Gas Purchased		39,582	(10,603)	34,821	17,614	19,490	21,337

DUNCAN RURAL SERVICES CORPORATION

FINANCIAL AND STATISTICAL REPORT

YEAR ENDING
December 31, 2002

PART R. POWER REQUIREMENTS DATA BASE

(Continued)

LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Columns a - l)
1.	a.	716	721	716	715	714	709	
	b.	9,666	9,921	10,114	13,491	32,797	50,082	357,633
	c.	16,205	16,416	16,425	18,292	38,870	53,641	367,227
3.	a.	24	24	24	23	20	17	
	b.	33,710	13,475	10,031	9,173	28	107	163,738
	c.	19,731	8,219	6,245	5,710	474	474	88,258
4.	a.	54	54	54	56	54	55	527
	b.	1,592	1,718	1,972	4,030	6,119	11,021	69,071
	c.	1,751	1,824	1,968	3,171	6,104	10,324	57,104
10.		794	799	794	794	788	781	
11.		44,968	25,114	22,117	26,694	38,944	61,210	590,442
12.		37,687	26,459	24,639	27,172	45,447	64,440	512,590
13.		(6,946)	(6,065)	(37)	(3,990)	4,198	9,219	(26,530)
14.		2	2	6	5	2	4	41
15.		33,870	12,810	30,780	22,970	50,440	79,620	566,180
16.		10,632	3,349	8,358	6,218	19,460	33,223	203,481